

Findings on EPA's Recalculations of PES RACT

Background:

- EPA submitted comments to PES (and AMS) on the RACT proposal in July 2014. PES submitted a revised RACT proposal in September 2014. At that time, AMS was about to propose a SIP revision which included a RACT determination for PES, and EPA had no time before the proposal to review the September 2014 submission by PES. AMS proposed its SIP on September 18, 2014.
- AMS proposed SIP included a RACT determination for PES, which relied on PES September 2014 RACT proposal; however, PES thorough analysis and calculations were not part of the proposed SIP. For that reason, EPA did not review the substantive analysis done by PES. EPA submitted various comments to AMS proposal, one of them specifically addressing the fact that AMS did not include a complete analysis for review. In addressing this comment, AMS interprets that PES RACT proposal was incorporated by reference and available to the public upon request.
- From November to December 2014, EPA worked closely with AMS on addressing our comments in AMS final SIP package. There was not sufficient time during this process for EPA to review PES substantive analysis.

Issues:

- EPA finds that PES used higher firing rates than those approved as RACT for 3 heaters.

Source Name	PES Permitted Capacity (MMBtu/hr)	RACT Permitted Capacity (MMBtu/hr)
Unit 859-1H1	98	76
Unit 137 F-2	155	116.5
Unit 433 H-1	260	243

- .AMS/PES must rely on the most stringent, currently applicable, and Federally-enforceable emissions rates for each unit in determining potential emissions and consequently emissions reduced and cost-effectiveness for RACT. EPA finds that PES did not provide sufficient information to justify that the emissions rates used for heaters and boilers in the RACT evaluation are Federally enforceable. Moreover, PES used for 12 heaters emissions rates that are not consistent with the SIP-approved 1-hour RACT limits. Although, all of the emissions limits used are more stringent than the 1-hour RACT limit, AMS/PES must clarify whether the limits are Federally-enforceable. To do so, AMS/PES should cite to the authority and permit action for the approval of such limits.
- PES assumed \$14 million of production losses when evaluating retrofitting burners of heaters 137 F-1 and 137 F-2. EPA believes the information provided does not support the addition of this retrofitting cost into the cost-effectiveness analysis. The \$14 M cost seems arbitrary.

- PES used a methodology for estimating capital investment costs for ULNB that is inconsistent with EPA guidance and not properly documented. Thus, EPA does not agree with the methodology used, and recommends PES to rely on the ACT guidance for refinery process heaters.